

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA

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In re:

Scheherazade, Inc,

Debtor.

Chapter 7

Bankruptcy 19-40658

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**NOTICE OF SALE ON SHORTENED NOTICE**

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TO: The United States Trustee, all creditors, and other parties in interest:

On April 18, 2019, or as soon thereafter as the transaction may be completed, the trustee of the estate will sell property of the estate as follows:

The trustee has filed an application to employ Eaton Hudson, Inc. to act as the liquidating agent for the estate of all of the store-owned jewelry. Eaton Hudson shall be paid as set forth in such application. The store-closing sale shall be conducted at the debtor's store location at the Galleria Shopping Center, in Edina, Minnesota. The Galleria Shopping Center, LLC, the debtor's landlord, has consented to the sale. The sale shall be completed no later than 60 days after it is commenced, which time period may be extended through further agreement between the trustee and landlord, if necessary.

All sales are "as is, where is" without any representation or warranties. All sales are final. Conspicuous signs will be posted in the store to the effect that all sales are "final." The trustee will not accept any gift cards, gift certificates, returns, or exchanges during the sale. The sale will be conducted in accordance with applicable state and local "Blue Laws." Advertising of the sale shall be limited to "store closing sale," the applicable discount, and store closure date. The trustee and Eaton Hudson shall be permitted to display and hang signs in connection with the sale; if such signs will be professionally produced, will be displayed in a professional manner, and otherwise comply with the terms of the lease or as agreed to by the landlord.

BHM Capital, LLC, has a security interest in the jewelry inventory being sold. As of the date of filing, BHM was owed \$284,004.29, interest of \$5,027.55, plus costs, interest and reasonable attorneys' fees. The monies from the sale of the jewelry subject to BHM's security interest shall be held in a separate account. The proceeds of the sale shall be used to pay the expenses of the sale pursuant to court approval of the motion for use of cash collateral filed with the bankruptcy court. BMH will receive a replacement lien in the proceeds of the sale and its collateral. The trustee may pay BHM from the sale proceeds.

**NO ESTATE CONSIGNMENT JEWELRY OR OTHER COMMERCIAL CONSIGNMENT JEWELRY WILL BE SOLD WITHOUT THE PERMISSION OF THE CONSIGNORS. THE TRUSTEE IS ONLY SELLING JEWELRY OWNED BY THE DEBTOR, SUBJECT TO BHM'S LIEN.**

Shortened notice of the sale is necessary as the estate and the creditors may suffer irreparable harm if the trustee is not to commence the sale as soon as possible. A delay would cause undue administrative expenses including store rent, utilities, insurance and continued lease obligations for the safety deposit boxes storing the inventory. A delay will also cause more interest to accrue on the BHM loan, which is currently accruing interest at 20 percent, harming the estate and unsecured creditors. Moreover, the trustee has a 60-day period in which to conduct the store-closing sale at the Galleria location.

The trustee believes this sale is in the best interest of creditors. A sale at the Galleria location will maximize the value to the estate. Customers, familiar with the jewelry and the Galleria, will be more likely to attend the sale, than if the sale were conducted at another location. Moreover, the store is equipped with locked jewelry cases needed for security purposes and to effectively showcase the jewelry.

The trustee requests that the stay pursuant to Federal Rule of Bankruptcy Procedure 6004(h) be waived and shall not apply to this sale.

**OBJECTION: MOTION: HEARING**

Under applicable rules, any objection must be in writing, be delivered to the trustee and the United States Trustee, and be filed with the clerk, not later than 12:00 noon on the day before the above date. If an objection is timely delivered and filed, the court will hold an expedited hearing on the objection with reduced notice of the hearing. The hearing will be scheduled by the trustee with notice by the trustee to the objecting party and the United States Trustee. If an objection is made or an order is required, the undersigned trustee moves the Court for such orders as may be necessary and appropriate.

Clerk of Bankruptcy Court  
300 South Fourth Street  
301 U.S. Courthouse  
Minneapolis, MN 55415

United States Trustee  
1015 U.S. Courthouse  
300 South Fourth Street  
Minneapolis, MN 55415

Nauni Manty, Trustee  
401 2<sup>nd</sup> Ave N, Ste 400  
Minneapolis, MN 55401

Dated: April 12, 2019

By: /e/ Nauni Manty  
Nauni Manty, Trustee